

**IN THE UNITED STATES OF AMERICA**  
**FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<b>UNITED STATES OF AMERICA</b>	<b>:</b>	<b>DATE FILED:</b>
<b>v.</b>	<b>:</b>	<b>CRIMINAL NO.:_____</b>
<b>MICHAEL SCHNEIDER</b>	<b>:</b>	<b>VIOLATIONS: 18 U.S.C. § 1344</b> <b>(bank fraud - 3 counts)</b>

**INDICTMENT**

**COUNT ONE**

**THE GRAND JURY CHARGES THAT:**

1. At all times relevant to this indictment:
  - a. Pennview Savings Bank ("Pennview") was a financial institution whose deposits were insured by the Federal Deposit Insurance Corporation (FDIC), certificate no. 29480.
  - b. Sovereign Bank ("Sovereign") was a financial institution whose deposits were insured by the FDIC, certificate no. 29950.
  - c. Union National Bank ("Union") was a financial institution whose deposits were insured by the FDIC, certificate no. 7759.
2. From on or about October 16, 1996, through on or about February 24, 1999, in the Eastern District of Pennsylvania and elsewhere, defendant

**MICHAEL SCHNEIDER**

knowingly executed and attempted to execute a scheme to defraud Pennview and obtain money

owned by and under the custody and control of Pennview, by means of false and fraudulent pretenses, representations and promises.

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**THE SCHEME**

3. From in or about October 1996 through in or about May 2000, defendant MICHAEL SCHNEIDER was employed as a financial services broker for a number of different companies, including, Invest Financial Institution (“Invest”), Valley Forge Security Inc., which is associated with Bryn Mawr Investment Group (“Bryn Mawr”), and Commerce Capital Markets, Inc., and offered some of his clients the opportunity to invest with John Hancock Financial Services, Inc. (“John Hancock”) and Kemper Investors Life Insurance Company (“Kemper”).

4. In his position as a broker, defendant MICHAEL SCHNEIDER handled investments for his client, C.D., a person known to the grand jury. In reliance on defendant SCHNEIDER’S investment advice, C.D. opened accounts with John Hancock.

5. From on or about August 5, 1998 until on or about May 1, 2000, defendant MICHAEL SCHNEIDER obtained contract withdrawal forms for C.D.’s account with John Hancock, forged C.D.’s signature on those forms, and submitted the forged forms to John Hancock. On or about April 20, 2000, defendant SCHNEIDER also wrote, and sent a letter to John Hancock with the forged signature of C.D., asking that C.D.’s account be liquidated and that the proceeds be sent to C.D. care of defendant SCHNEIDER.

6. In reliance on the forged contract withdrawal forms and the letter sent by defendant MICHAEL SCHNEIDER, John Hancock issued checks from C.D.’s variable annuity account and liquidated the account, providing defendant SCHNEIDER with checks payable to

C.D. totaling approximately \$104,499.99.

7. Upon receiving these checks, defendant MICHAEL SCHNEIDER forged the signature of C.D., added his own endorsement, and deposited the checks into SCHNEIDER'S bank accounts at Pennview or Sovereign.

8. In reliance on defendant MICHAEL SCHNEIDER'S investment advice, his clients, A.F. and N.F., persons known to the grand jury, opened accounts with John Hancock and Kemper.

9. In his position as a broker, defendant MICHAEL SCHNEIDER handled investments for A.F. and N.F. From on or about October 16, 1996 until on or about February 24, 1999, defendant SCHNEIDER obtained contract withdrawal forms for A.F. and N.F.'s accounts, forged A.F. and N.F.'s signatures on these forms, and submitted the forged forms to John Hancock and Kemper.

10. In reliance on the forged contract withdrawal forms, John Hancock and Kemper issued checks from A.F. and N.F.'s accounts, providing defendant MICHAEL SCHNEIDER with checks payable to A.F. and N.F. totaling approximately \$215,894.

11. Upon receiving these checks, defendant MICHAEL SCHNEIDER forged the signatures of A.F. and N.F., added his own endorsement, and deposited the checks into bank accounts that he maintained at Pennview, Sovereign and Union.

12. Between on or about October 16, 1996 and on or about February 24, 1999, defendant MICHAEL SCHNEIDER deposited and caused to be deposited into bank accounts that he maintained at Pennview, approximately \$239,108.02 in checks, which included the following falsely endorsed checks:

<u>Check No.</u>	<u>Date check Deposited</u>	<u>Payee</u>	<u>Amount</u>
0578361	10/19/96	A.F. & N.F.	\$20,000
2638212	1/10/97	A.F. & N.F.	\$20,000
2715461	3/7/97	A.F. & N.F.	\$20,000
662724	10/25/97	A.F. & N.F.	\$20,000
2728646	3/28/97	A.F. & N.F.	\$20,000
689529	2/17/98	A.F. & N.F.	\$22,000
590-000673	6/1/98	A.F. & N.F.	\$12,300
590-000706	6/16/98	A.F. & N.F.	\$14,610
590-000804	7/6/98	A.F. & N.F.	\$ 8,648
590-000883	7/27/98	A.F. & N.F.	\$18,800
590-001031	8/27/98	A.F. & N.F.	\$18,000
590-000936	8/12/98	C.D.	\$ 6,533
590-001136	9/21/98	C.D.	\$ 5,881.02
590-001197	10/6/98	C.D.	\$18,800
590-002062	2/24/99	A.F. & N.F.	\$13,536

All in violation of Title 18, United States Code, Section 1344.

**COUNT TWO**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs one and three through eleven of Count One are realleged here.
2. From on or about December 10, 1999, through on or about May 1, 2000,  
in the Eastern District of Pennsylvania and elsewhere, defendant

**MICHAEL SCHNEIDER**

knowingly executed and attempted to execute a scheme to defraud Sovereign and obtain money owned by and under the custody and control of Sovereign, by means of false and fraudulent pretenses, representations and promises.

3. Between on or about December 10, 1999 and on or about May 1, 2000, defendant MICHAEL SCHNEIDER deposited and caused to be deposited into bank accounts that he maintained at Sovereign, approximately \$73,285.97 in checks, which included the following falsely endorsed checks:

<u>Check No.</u>	<u>Date check Deposited</u>	<u>Payee</u>	<u>Amount</u>
0590-003929	12/16/99	C.D.	\$ 9,556.26
590-004110	1/5/00	C.D.	\$17,860
590-004973	4/10/00	C.D.	\$29,610
590-005190	5/1/00	C.D.	\$16,259.71

All in violation of Title 18, United States Code, Section 1344.

**COUNT THREE**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs one and three through eleven of Count One are realleged here.

2. From on or about April 29, 1998, through on or about May 5, 1998,  
in the Eastern District of Pennsylvania and elsewhere, defendant

**MICHAEL SCHNEIDER**

knowingly executed and attempted to execute a scheme to defraud Union and obtain money  
owned by and under the custody and control of Union, by means of false and fraudulent  
pretenses, representations and promises.

3. Between on or about April 29, 1998 and on or about May 5, 1998,  
defendant MICHAEL SCHNEIDER deposited and caused to be deposited into a bank account  
that he maintained at Union, a check in the amount of approximately \$8,000, which included the  
following falsely endorsed check:

<u>Check No.</u>	<u>Date check Deposited</u>	<u>Payee</u>	<u>Amount</u>
590-000584	5/5/98	A.F. & N.F.	\$ 8,000

All in violation of Title 18, United States Code, Section 1344.

**A TRUE BILL:**

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**FOREPERSON**

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**PATRICK L. MEEHAN**  
**United States Attorney**